



PSYCHIATRY  
MANAGEMENT  
GROUP

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## PsychMG ROADSHOW - FEBRUARY 2010

The PsychMG has secured a full sponsorship from Lundbeck South Africa to assist with the cost of a road show throughout South Africa to inform psychiatrist in full and part time private practice of developments in this sector.

Eugene Allers and Franco Colin will be visiting the following places during February and your attendance would be highly appreciated and we hope to assist with formulating a strategy for the future to remain in business and sustain your practice.

03/02 (Wed): Bloemfontein

04/02 (Thurs): Durban

10/02 (Wed): George

11/02 (Thurs): Port Elizabeth

16/02 (Tues): Cape Town

(South)

17/02 (Wed): Cape Town North

23/02 (Tues): Johannesburg

24/02 (Wed): Pretoria

Venues will be communicated to you by the Lundbeck representatives in your area.

On the agenda is the following:

- Membership to the PsychMG and fees explained;
- The establishment of the NHI;
- The proposals by the Minister of Health of a Central Bargaining Chamber for fees;
- Future cost studies and the structures to be created to address this problem;
- The revision of the PMB's;
- The ever growing population of

low option and decreasing population of high option members to medical schemes and how to prepare for this challenge;

- The revision of the procedural coding structure for psychiatrists;
- Amendments to the Mental Health Care Act;
- Capping of fees that psychiatrists can charge;
- New practice management tools;
- Data to assist in practice management;
- New plans for psychiatric managed care;
- Payment arrangements;
- The NHRPL legal challenge;
- Fees, billing rules and guidelines;

## MEMBERSHIP OF THE PsychMG

The PsychMG would need to have funds available to continue its work to support psychiatrists in private practice, full or part time.

Becoming a member would ensure that we continue to be represented at various national groups and that our voice is heard at the Department of Health, and other influential structures. As we are entering a new era of a proposed National Health Insurance Scheme for South Africa we also envisage

that we would need to launch various legal challenges to protect our interest as it seems the only way that we can secure our future as especially the Department of Health continues to defy the law.

As a member of the PsychMG your SASOP and your SAPPF membership will be paid. If you have joined or plan to join the PsychMG please do not pay your SASOP membership to SASOP as the PsychMG will pay SASOP on

your behalf.

PsychMG membership will cost you R1000-00 per month if you are in full time private practice; R500-00 if you are in part time practice as calculated by you claims data from medical schemes (<5th %tile) and R250-00 if you are in full time state employ or have a very limited practice. Special consideration will be give to applicants with a motivation regarding a reduction in membership fees.

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## BILLING APPROPRIATLY

There have been recent Press releases by the Department of Health, Council of Medical Schemes, Medical Schemes and others stating that the Minister of Health has approved an interim and temporary increase in the Reference Price List (RPL) of 7,9% for 2010.

Please note that the Minister of Health is not mandated to make any pronouncement on the RPL tariffs. The RPL is the subject of a Legal Challenge and the Department of Health had previously agreed not to publish a RPL before March 2010. The Minister's pronouncement is thus inappropriate.

You are not obliged to increase your fee according to the Press Releases mentioned. You have invested a sizeable amount of money on the Legal Challenge against the Department of Health to defend your right to bill for services at a reasonable fee based on the cost of Practice, risk of Practice (medical and financial) and the appropriate profit for your expertise.

You should charge a fee for your services based on several criteria, some be-

ing –

- The cost of providing the service (practice overheads);
- The complexity of the service, medical risk and litigation risk, level of skill required;
- The after hour component and the responsibility of care of your patient;
- The desired profit for your time, effort and skill;
- Remuneration of other professionals such as Lawyers, Accountants, politicians, etc;
- Your patients' financial profile and what is affordable to both you and the patient regardless of the option the patient belongs to.
- The total cost to the patient including treatment and investigations with specific reference to what patients can afford and what medical scheme option the patient belongs to, with specific reference to low options.
- Ethical guidelines
- The bad debt risk to you practice.

The approach of only charging what the Medical Scheme pays is detrimental to the financial viability of Specialist Practice. You are earnestly requested to set an appropriate fee for your services and which would sustain your prac-

tice in future, that is not determined by the Government or by Medical Funding Organisations, but negotiated between you and your patient.

Most practices now apply various rates including, co-payments, direct payments, total cash payments, payment arrangements, discounts and other arrangements.

Ethical and appropriate billing at the correct fee is advocated.

Billing inappropriately by combining codes against the guidelines, overcharging by up-coding and other unethical practices are fortunately not common amongst psychiatrists, but appear from time to time. This practice would not assist in you increasing your turnover as some specialists have been investigated and had to refund medical schemes or patients to the extent of hundreds of thousand of rand.

The PMG is working closely with funders and others to ensure that private psychiatric practice remains sustainable.



**Ethical and appropriate billing at the correct fee is advocated**





**PsychMG MEMBERSHIP WILL BUY YOU MEMBERSHIP TO SASOP AS WELL AS THE SAPPF AND SERVICE TO ENSURE THE INTERESTS OF PSYCHIATRISTS IN PRIVATE PRACTICE IS DEFENDED AND PROTECTED**

## DoH HIJACKS THE PROCEDURAL CODING PROCESS

The South African Private Practitioners Forum (SAPPF) has been working hard on designing a new procedural coding structure for South Africa. The problem with the old South African Medical Association (SAMA) procedural coding structure is that it does not have intelligence in its codes and the relativities are not based on any real data. The relativities are usually based on time and complexity.

To enable the SAPPF to draft a new procedural coding structure of international standard, several factors would need to be considered including the standard to use. The SAPPF opted to design a structure based on the old SAMA structure, the American Current Procedural Terminology version 4 (CPT4) system as a reference, the only (Resource Based Relative Value Scale) RBRVS structure available in the world in English and that has been extensively used, time data from Medicare and Medicaid and post operative times from the British United Provident Association (BUPA) system as a reference. The international coding standard that has to be adhered to is the EN828 standard, a European standard.

The SAPPF joined the Private Health Information Standards Committee (PHISC) process to assist with setting the standards for the new procedural coding

structure.

Last week the SAPPF was informed at a Department of Health (DoH) meeting that the process has now been taken over by the DoH and they insist that the International Classification of Disease version 10 Procedural Coding System (ICD-10 PCS) be used for South Africa. They indicated that the ICD-10 PCS can be used in the public sector and has to be adapted for the private sector.

The questions raised with the DoH are the following:

The ICD-10 PCS is not a billing structure (no RBRVS) and has to be adapted in a major way to be used in the private sector, who is going to do the work and who is going to pay? Who will then own the structure? What copyright issues are there and how will this be dealt with especially in the light that the professional groups and societies would need to do the work and pay for the development? What is the legal mandate that permits the DoH to "take over" the process and which regulations guide the process? What is the exact process and what are the timelines?

We fear that this will be another attempt of the DoH to control processes (like the NHRPL) that they lack knowledge and capacity to design or maintain. We in no way would want to deny the DoH to be a major role player in the process, but controlling the process as hap-

pened with the NHRPL is unacceptable to us. The problem eventually relates to poor service delivery by the DoH as happened with the NHRPL. A cost based NHRPL has not yet been published by the DoH after 6 years! This has forced the SAPPF to initiate a court case against the DoH to force the DoH to comply with the law and regulations that guide the process.

We fear that in the absence of any laws that guide the drafting and maintenance of a National Health Procedural Structure, the DoH might take decades to complete such a structure, a totally unacceptable scenario to us.

The number of codes for psychiatry would increase from a total of 21 codes to 1589 codes if the ICD-10 PCS had to be used as a base for psychiatry! We had to adapt the system for billing purposes.

Further meetings with the DoH to resolve the issue has been organized. The DoH wants to ensure that the public sector and the private sectors use one standardized coding structure, adapted to each individual sector's needs.

We support a standardized procedural coding structure and process where all the role players have an equal say and share the work load and costs.



## PUBLICATION OF THE BIPOLAR DISORDER ALGORITHM

The PsychMG was actively involved in the drafting of the Bipolar Disorder algorithm published in the Government Gazette in December 2009 as part of the regulations to the Medical Schemes Act.

This ensures that patients with Bipolar Disorder would have benefits for consultations, hospitaliza-

tion and medication.

If Medical Schemes deny any patient with Bipolar Disorder benefits, please report this to the Council of Medical Schemes at [www.medicalschemes.com](http://www.medicalschemes.com) urgently.

The PsychMG eventually, after several years appealed to the Minister of

Health, Dr Aaron Motsoaledi to publish the algorithm and want to thank him for his prompt response in publishing the algorithm last year.

The algorithm is available on [http://www.medicalschemes.com/publications/ZipPublications/Circulars/Circular4tof2009\\_20091223.pdf](http://www.medicalschemes.com/publications/ZipPublications/Circulars/Circular4tof2009_20091223.pdf)